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PREPARATORY PROCESS FOR THE THIRD UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

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INTRODUCTION

1. This note addresses issues related to the preparatory process for the Third United Nations Conference on the Least Developed Countries in accordance with the provisions of General Assembly resolutions 52/187 and 53/182. Its purpose is to help in launching a preparatory process that can effectively carry out the tasks envisaged, such as involving member organizations of the United Nations system as well as civil society in the preparatory activities; to link these activities to forthcoming global conferences and intergovernmental meetings and to enable possible synergies between planned activities and the Conference. The objective is to organize the Conference in such a way that it attains practical and operational outcomes that can be effectively followed up at the global, regional, national and sectoral levels.

I. Background and mandate

2. In 1971, the international community recognized the existence of a category of countries whose distinctness lies not only in the profound poverty of their people but also in the weakness of their economic, institutional and human resources, often compounded by geophysical handicaps. This group of countries (then numbering 25), which were classified by the United Nations as least developed countries (LDCs), constituted the weakest segment of the international community, and their economic and social development represented a major challenge both for them and for their development partners.

3. To respond to this challenge, the United Nations General Assembly decided to hold in 1981 the first United Nations Conference on the Least Developed Countries, in Paris. At that Conference, the international community unanimously adopted the Substantial New Programme of Action for the 1980s for the Least Developed Countries, containing guidelines for domestic action by LDCs, which were to be complemented by international support measures. However, despite major policy reforms initiated by many LDCs to carry out a structural transformation of their domestic economies, and supportive measures taken by a number of donors in the areas of aid, debt and trade, the economic situation of these countries as a whole worsened during the 1980s.

4. By 1990, the number of LDCs had increased to 42, with a combined population of nearly 440 million. Some two thirds of their population remained illiterate, one child in eight died before attaining the age of one year, and only one person in ten had access to safe drinking water. Factors which contributed to this worsening state of affairs included domestic policy shortcomings, natural disasters and adverse external conditions. In addition, external debt servicing emerged as a major problem for most LDCs during the 1980s.

5. For the international community, the refusal to accept continued socioeconomic deterioration in the LDCs was an ethical imperative. Thus, the United Nations General Assembly, upon the recommendation of the seventh United Nations Conference on Trade and Development (UNCTAD VII), decided at its forty-second session in 1987 to convene the Second United Nations Conference on the Least Developed Countries. The Conference, in which 150

Governments participated, was held in Paris from 3 to 14 September 1990. Its outcome was embodied in the Paris Declaration and the Programme of Action for the Least Developed Countries for the 1990s.

6. The prime objective of the Programme of Action is to arrest further deterioration in the socioeconomic situation of LDCs and to reactivate and accelerate growth and development in these countries and, in the process, to set them on the path of sustained growth and development. The policies and measures in support of these objectives, which are set out in the Programme of Action, revolve around the following major areas: establishment of a macroeconomic policy framework conducive to sustained economic growth and long-term development; development and mobilization of human resources; development, expansion and modernization of the productive base; reversing the trend towards environmental degradation; promotion of an integrated policy of rural development aimed at increasing food production, enhancing rural income and enhancing non-agricultural sector activities; and the provision of adequate external support.

7. Although the 1990 Programme of Action represented a qualitative step beyond its predecessor and contained many novel features, an assessment of progress in its implementation undertaken in 1995 in New York noted with great concern that despite vigorous efforts by LDCs to implement economic reforms as envisaged by the Programme of Action, the LDCs as a group have not been able to meet many of the objectives of the Programme of Action, and their overall socioeconomic situation has continued to deteriorate because of both domestic and external factors. The number of LDCs has increased from 42 (1990) to 48, and since the early 1970s only one country (Botswana) has graduated from the list.

8. In 1997, the General Assembly, in its resolution 52/187 on the Implementation of the Programme of Action for the Least Developed Countries for the 1990s, had noted with concern the continued marginalization of LDCs in world trade, the reduced flow of development resources to those countries and their serious debt problems, and had decided to convene the Third United Nations Conference on the Least Developed Countries at a high level in 2001, the mandate being:

(i) To assess the results of the Programme of Action during the 1990s at the country level;

(ii) To review implementation of international support measures, particularly in the areas of official development assistance, debt, investment and trade; and

(iii) To consider the formulation and adoption of appropriate national and international policies and measures for sustainable development of the least developed countries and their progressive integration into the world economy.

9. Subsequently, the General Assembly accepted the offer of the European Union to host the Conference. It was decided that the Conference would be held in the first semester of 2001 for a duration of seven days. As for the previous Conferences, the Secretary-General of UNCTAD was designated Secretary-General of the Conference.

II. Constraints on the effective implementation of the Programme of Action and proposed substantive agenda of the Conference

10. The substantive agenda of the Conference derives from the mandate described above. The Conference will convene to assess the results of the Programme of Action for the Least Developed Countries during the 1990s and to formulate new strategies and an action plan for sustainable development of LDCs up to 2010. An analysis of past performance will shed light on the most critical constraints on the effective realization of the goals of the previous Programmes of Action and suggest new strategies to reverse them. While the range of issues to be addressed by the Conference will be determined by a consultative process among different stakeholders, it may be useful to recall a number of constraints which are known to have limited the performance of LDCs. They relate to both domestic and external factors.

A. Domestic development constraints

11. At national level, the development of many LDCs has been constrained by several domestic factors, viz:

(i) Shortcomings in governance leading to civil strife, border and ethnic tensions and associated high military expenditures which, besides causing immense human suffering, divert resources away from development. Thirteen out of thirty-three African LDCs have recently experienced violent conflicts, often internal war waged by and against civilians.

(ii) Shortcomings in macroeconomic policy design and management. While in a number of LDCs, export-led structural adjustment programmes have revived economic growth, overall, these programmes have reinforced structural dualism and increased income inequality and in some cases displaced people from traditional sources of livelihood without offering viable alternatives. Unemployment, environmental degradation, poverty and social exclusion find expression in rising rural-urban migration and associated social tensions.

(iii) The high rate of population growth, which adversely affects efforts to alleviate poverty and to sustain human resource development, insofar as it strains the allocation of sufficient resources for social spending.

(iv) A generally disappointing performance by the agricultural and rural sector. Continued reliance on low-level technology and inadequacies in adaptive research has meant that in many cases food production continues to lag behind population growth, at a time when the price of food imports is on the rise. In the majority of LDCs, most of the pressing environment problems result directly from endemic poverty and population pressure. These often compel the poor to

adopt unsound farming, grazing and fishing methods, or to settle on ecologically fragile marginal lands.

(v) Inability adequately to mainstream women as full agents and beneficiaries of development. This means that, practically in all LDCs, half of the population is not fully integrated into the development process and does not enjoy rights and access to resources commensurate with its contribution and potential.

(vi) Low levels of domestic resource mobilization for the development, expansion and transformation of the economic base, and ineffective use of domestic savings, remain key impediments to the development of the productive capacities and infrastructures, both physical and human, necessary to sustain international competitiveness, which has become critical in a globalizing world economy.

(vii) Appropriate legal and institutional frameworks for the promotion of private entrepreneurship all still lacking in many LDCs, which continues to limit the full participation of both domestic and foreign private investors.

B. External factors

12. Overall, the external environment facing LDCs has remained difficult. As these countries entered the 1990s, despite an increase in exports of manufactured goods, their share in world exports and imports fell by more than three eighths and one third, respectively, from the already low 1980 levels of 0.7 per cent and 1.0 per cent. Despite vigorous efforts to diversify the largely commodity-based composition of their exports, the LDC economies continued to be vulnerable to vicissitudes and instability in commodity markets, prices and terms of trade. Official development assistance (ODA), on which LDCs depend heavily for their external financing, registered a sharp decline during the 1990s, and the aid outlook remains uncertain. Although many of them have adopted national regulatory frameworks conducive to foreign investment, they have not yet attracted significant foreign direct investment (FDI). Despite measures adopted to alleviate their external debt burden, this burden continues to be unsustainably high for many LDCs and seriously compromises their adjustment and development efforts.

C. Natural disasters

13. External and internal factors apart, the development of LDCs has also been limited by their continued vulnerability to natural disasters, which cause heavy losses of human life and property. Where natural disasters have occurred, effort is often concentrated on immediate disaster relief, without fully addressing the requirements of long-term development, including disaster preparedness and prevention measures.

D. Proposed substantive agenda of the Conference

14. The internal, external and environmental/exogenous factors listed above are by no means exhaustive but serve to indicate the broad spectrum of issues that are likely to emerge from a consultative process on the critical areas of concern and action. Given the large number of countries involved, each with its specific national potential, peculiarities and opportunities, the list is long. However, to make progress, critical areas need to be identified and priorities set; it would be futile to attempt to solve all the problems at once. Efficiency and effectiveness lie in investing effort and resources in solving the most critical development bottlenecks first.

15. In practical terms and in order to secure coherence, a discussion of issues warranting action would need to be dealt with under a limited number of broad thematic clusters. A tentative list of such themes might be: (a) democratization, human rights and good governance; (b) enabling macroeconomic policy design and management; (c) agricultural, environment and sustainable development; (d) strengthening productive capacity and infrastructure; (e) human resource and gender-balanced social development; (f) combating poverty and social exclusion, and promoting employment, livelihood and social safety nets; and (g) international support measures in favour of LDCs. But other themes may also be considered, such as rebuilding post-conflict societies, or the various themes mentioned above combined.

III. Organizational strategy

16. A starting point in charting out an organizational strategy for the Third United Nations Conference on LDCs lies in the recognition and acceptance of the following premises:

- That the international community continues to be concerned about the profound poverty in which most of the LDC population lives, and which for both humanitarian and economic reasons it finds unacceptable. It was in this light that the Secretary- General of the United Nations in October 1998 called for a bold vision and a deep commitment to action if LDCs are to be given a fresh start in the new millennium. The Conference provides the international community with a unique opportunity to galvanize international solidarity and partnership to reverse the long-term decline in the socioeconomic conditions of LDCs.

- That, while UNCTAD has been designated the focal point for its preparation and is therefore a facilitator and coordinator, and while the European Union is the host, the Conference is a joint undertaking and a common rallying point for Governments, the United Nations and other international organizations, civil society and business, with the single purpose of fashioning a new development agenda for the LDCs. Consequently, efforts need to be made to involve all relevant actors, in their respective areas of competence and comparative advantage, from the very outset of the preparatory process.

- That, while the substantive agenda is broad, because the Conference is about the overall sustainable socioeconomic development of LDCs, there is nevertheless a need to identify critical areas and set priorities and to invest efforts and resources in addressing them.

- That, in order to take into account the specific characteristics and problems of each LDC within the framework of a broad agenda, a global programme of action needs to be based on country-level assessments of constraints, priorities and opportunities. For this reason, an extensive preparatory process at country level, involving the public and private sectors and civil society, is essential to formulating a national-level comprehensive programme of action for each country. This would become the basis for developing a global programme of action to be adopted at the Conference.

- That the issue of resources for the implementation of the new comprehensive programme of action for the sustainable development of LDCs is the major challenge, and that new approaches for mobilizing development finance need to be found.

IV. Organizational approach

17. In its resolution 53/182, the General Assembly requested the Secretary-General of the Conference to organize the intergovernmental preparatory committee (in two parts) and three expert-level preparatory meetings. The General Assembly also asked him, in consultation with Member States and in cooperation with relevant organizations and agencies, to organize well-focused sectoral and thematic or, where appropriate, country-specific round table meetings during the Conference to contribute to its work. It requested the Administrator of the United Nations Development Programme (UNDP), in his capacity as the convenor of the United Nations Development Group, to ensure the full involvement in the preparatory process of the Resident Coordinators and country teams in LDCs. It also called upon UNDP and the World Bank to link the forthcoming round table and consultative group meetings to the preparatory process of the Conference and to ensure that they make substantive contributions to it. The Assembly further invited the Secretary-General of the Conference to make arrangements, on the basis of consultations with Member States, to facilitate the involvement of civil society, including non-governmental organizations (NGOs) and the private sector, in the preparatory process and the Conference. Plans to put guidelines into practice are discussed in paragraphs 18-33 below.

A. Inter-agency consultations

18. As called for in paragraph 8 of General Assembly resolution 53/182, United Nations system-wide inter-agency consultations will be organized at regular intervals. These consultations will fully involve the agencies as partners in the preparatory process and consider their roles and contributions to that process. The first inter-agency consultations took place in Geneva on 20 July 1999 during the meeting of the Economic and Social Council.

B. The Consultative Forum

19. Another element of the preparatory process is the Consultative Forum, which was established by the Secretary-General of the Conference with the following initial membership:

(i) Conference secretariat;

(ii) The host organization: European Union Presidency (both at the time of the Forum and at the time of the Conference) and the European Commission;

(iii) Representative of UNDP Administrator as Convenor of the United Nations Development Group;

(iv) Representative of the World Bank;

(v) Representative of the International Monetary Fund (IMF);

(vi) Representatives of the World Trade Organization (WTO) and International Trade Centre UNCTAD/WTO as partners in the Integrated Framework for Trade-Related Technical Assistance to the LDCs;

(vii) Representative of the host country (Belgium);

(viii) The President of the UNCTAD Trade and Development Board;

(ix) The Secretary of the Administrative Committee on Coordination (ACC);

(x) The Coordinator of the LDCs (Bangladesh);

(xi) Non-Government Organizations Liaison Service (NGLS) (pending nomination of representatives of civil society);

(xii) The International Chamber of Commerce (ICC) (representing the private sector); and

(xiii) The Food and Agriculture Organization (FAO), in recognition of the central role it will continue to play in the development of LDCs.

20. The main function of the Consultative Forum is to serve as a medium of interfacing and consensus-building between the United Nations agencies and other stakeholders as they discuss and exchange views on the conceptual framework of the Conference objectives and organizational aspects and on the intergovernmental preparatory process. The first meeting of the Forum took place on 21-22 July 1999 (see report on the meeting, UNCLDC III/CF/1).

C. Consultations with civil society

21. In order to work out the best modalities for ensuring broad-based consultations with civil society, consultations with NGO representatives on the preparatory process will be undertaken to brief them on the objectives of the Conference and the expected roles and contributions of civil society in the process (see also para. 33 below).

D. Advocacy and promotion

22. Paragraph 11 of the General Assembly resolution requested the Secretary-General of the United Nations, with the assistance of concerned organizations and bodies of the United Nations system, including the Department of Public Information of the Secretariat, to take the necessary measures to intensify their public information efforts and other relevant initiatives to enhance public awareness in favour of the Conference. In light of this, the Secretary-General of the Conference is exploring the possible use of the good offices of high-level personalities from donor Governments to promote concerted donor action and commitment in the run-up to the Conference. Such personalities could be requested to undertake consultations with high-level leadership in donor capitals with a view to making specific action-oriented recommendations/commitments in the areas of external financing and debt. Furthermore, consideration is being given to approaching a leading world personality (e.g. former President Nelson Mandela of South Africa) to act as "Goodwill Ambassador" for the Conference.

V. Preparatory process at country, regional and global level

A. Country-level preparations

23. In paragraph 7 of the Conference resolution, the General Assembly requested the Administrator of UNDP, in his capacity as Convenor of the United Nations Development Group, to ensure the full involvement in the preparations for the Conference of United Nations Resident Coordinators and country teams in the LDCs. In paragraph 6 of the same resolution, UNDP and the World Bank are called upon to link the forthcoming round table and consultative group meetings to the preparatory process of the Conference and to ensure that they make substantive contributions to the Conference. The process of preparation of country-level programmes of action described below rests on these provisions. It is assumed that, in collaboration with the secretariat and the host, the United Nations Resident Coordinator and the World Bank representative in each LDC will play a leading role in assisting the country to prepare itself for the Conference.

24. In the last two United Nations Conferences on LDCs, the LDCs prepared country memorandums on their socioeconomic performance and their external financial requirements, including debt relief and trade issues. It was on the basis of these country memorandums that the assessments of the socioeconomic situation of the LDCs and several important support measures, particularly external financial requirements, were negotiated in both Conferences. One shortcoming of this approach was that it failed to assist LDCs to translate their country

memorandums into action programmes at country level. Subsequently, this made the implementation of the global targets agreed in the Programme of Action difficult to relate to country-level situations. It also became difficult to mobilize resources, since the elements of the Programme of Action had not been specified at country and sectoral level.

25. It is expected that this situation will be improved upon for the Third Conference by instituting an elaborate preparatory process to generate country-specific programmes of action. Apart from its potential in assisting LDCs to mobilize resources for implementation of the Programme of Action, such an approach could facilitate national-level debates among various actors, including government policy makers and civil society, on development priorities, policies and measures, and help foster a feeling among national-level actors that their work is part of a serious global undertaking.

26. In operational terms, this would entail the following type of arrangements:

(1) Each LDC Government establishes a National Preparatory Committee (NPC) for the Conference, comprising:

(a) representatives of ministries and key public sector institutions;
(b) private sector representatives;
(c) civil society representatives (NGO, academics, etc.); and
(d) local government representatives.

It is proposed that the Committee be chaired by the principal secretary in the Ministry or department responsible for economic planning. The United Nations Resident Coordinator can facilitate this process, upon request.

(2) A team of consultants will be appointed to assist and service the NPCs for the assessment of the implementation of the Programme of Action for the 1990s and formulation of the new country-level programmes of action. Guidelines for the preparation of the latter will be provided by the Conference secretariat.

(3) When the NPC is fully constituted and operational, it is recommended that the United Nations Resident Coordinator hold a briefing for the local donor community and representatives of United Nations agencies. The Government could convene a national workshop to launch the start of the Conference preparatory process.

27. Immediately after the official launch of the preparatory process, United Nations Resident Coordinators will be contacted by the UNDP Administrator and the Conference secretariat to kick off the process at country level. It is hoped that by the end of 1999, each LDC will have put its respective NPC in place.

28. Allowing six months for the preparation of draft country-level programmes of action, the Conference secretariat will consolidate the draft global programme of action, which will also take into account the outcomes of the three regional expert meetings referred to below.

B. Regional expert-level meetings

29. Three regional expert-level meetings are planned as part of the Conference preparatory process. The first meeting will be held in late 1999 (anglophone Africa), followed by the two others for francophone Africa and the Americas, and Asian and Pacific LDCs. The outcomes of the three meetings will be utilized as substantive inputs for the assessment and preparation of country-level programme documents and for the preparation of documentation for the first session of the Intergovernmental Preparatory Committee, proposed for September 2000.

C. The Intergovernmental Preparatory Committee

30. As per Assembly resolution 53/182, the meetings of the Intergovernmental Preparatory Committee will be held in two parts, the first being proposed for September 2000 and the second for late January 2001. Both meetings will be held in Geneva. The proposed terms of reference for the two meetings are as follows: (i) assessment of the result of the Programme of Action for the 1990s at country levels, and proposed comprehensive country-level programmes of action; (ii) substantive preparation of the Conference; and (iii) provisional agenda for the Third United Nations Conference on the Least Developed Countries. Under the same resolution, the secretariat is required to mobilize extrabudgetary resources to finance at least two participants from each LDC.

D. Sectoral, thematic and country-specific round table meetings

31. In its resolution 53/182, the General Assembly called for the holding of sectoral, thematic or, where appropriate, country-specific round table meetings during the Conference. In view of time constraints at the Conference, it is proposed that country-specific round-table events be held before the Conference.

32. Within three months of the review of the draft country-level programmes of action by the first meeting of the Intergovernmental Preparatory Committee, it is proposed that the draft be revised by Governments and printed and distributed to development partners. The UNDP and World Bank Resident Coordinators, in collaboration with the Conference secretariat, should assist Governments to convene an extraordinary round table meeting (EORT) for the new country-level programme of action. All such EORT meetings are expected to be convened before the second Intergovernmental Preparatory Committee meeting. In those countries where regular UNDP round table or World Bank consultative group meetings are scheduled for 2000, it is further proposed that the EORT event for the programme of action be combined with, or made a part of, the UNDP or World Bank meetings.

E. Meetings with civil society, including NGOs, private sector and women

33. In paragraph 9 of its resolution 53/182, the General Assembly invited the Secretary-General of the Conference to make arrangements to facilitate the involvement of civil society, including NGOs and the private sector, in the preparatory process and the Conference. Such arrangements should include three meetings on the role of NGOs, private sector and women in the development of LDCs, to be held prior to the second meeting of the Intergovernmental Preparatory Committee. The dates and venues of these meetings will be agreed in consultation with the stakeholders.

VI. The Conference

34. In agreement with the European Union, the venue will be Brussels. The General Assembly has decided to convene the Conference at high level. With the participation of high-level personalities and the Goodwill Ambassador, LDCs, Heads of State and Government are also expected to attend. Apart from official delegates, representatives of NGOs and the private sector could participate in one of three ways: (i) by joining their respective government delegations; (ii) by being accredited to the Conference directly (as was the case in the second United Nations Conference on Human Settlements); or (iii) by organizing an independent NGO forum as a parallel event. The final mode of participation will be decided after consultation with NGO representatives. The Conference is expected to attract about 2,000 participants. This works out to an average 10 participants from each member country, half of whom are likely to be official delegates. The agenda of the Conference and the documentation before it will be finalized during the meetings of the Intergovernmental Preparatory Committee.

VII. Links with other upcoming events

35. The strategy is to target and use all major upcoming events both within and outside the United Nations as a platform for promoting broad-based consensus in favour of LDC interests. LDC Governments should be encouraged to make the best use of these events to promote their interests and enhance the success of the Conference. These events include the World Economic Forum in Davos, G-8 Summit, Third WTO Ministerial Conference in Seattle, United Nations Millennium Assembly and UNCTAD X. For instance, in the course of discussing "Development Strategies in an Increasingly Interdependent World", UNCTAD X in 2000 is bound to generate valuable inputs for the LDC Conference. The suggestions and support of other United Nations agencies with respect to their own events will also be important.